

23 Nov 1973
KUWAIT, NOV. REUTER - KUWAIT HAS CALLED ANOTHER FULL CONFERENCE OF ARAB OIL MINISTERS, AND IT SHOULD OPEN HERE SUNDAY, THE KUWAITI MINISTER OF FINANCE AND OIL AFFAIRS ABDEL-RAHMAN AL-ATIQI SAID TODAY.

BEFORE JOINING OTHER GULF OIL MINISTERS--INCLUDING IRANS FINANCE MINISTER, JAMSHID AMOUZEGAR--IN TALKS ON OIL PRICES AND MARKETING, AL-ATIQI TOLD REUTER OF TOMORROWS PLANNED MEETING AND SAID: "ALL WILL BE COMING, INSHALLAH (GOD WILLING)." MORE PJS/YA1050

ZZ

RNR84

MIDEAST OIL 2 KUWAIT

IT WAS A FULL-SCALE MINISTERIAL CONFERENCE IN KUWAIT ON OCTOBER 17 THAT UNLEASHED THE ARABS "OIL WEAPON" IN THEIR CONFLICT WITH ISRAEL.

THE FRESH CONFERENCE CALLED BY KUWAIT WOULD GIVE THE MINISTERS A CHANCE TO ASSESS THE RESULTS OF THEIR VARIOUS ACTIONS--GENERAL CUT-BACKS IN PRODUCTION, TOGETHER WITH SPECIFIC EMBARGOES ON SUPPLIES TO TWO COUNTRIES DESCRIBED AS PRO-ISRAEL, THE UNITED STATES AND HOLLAND.

IN ALL CASES, THE ARAB OIL STATES HAVE EXCEEDED IN SOME WAY THE BASIC DEMANDS OF THEIR AGREED FORMULA, WHICH SOME OF THEM--NOTABLY LIBYA AND IRAQ--CONSIDERED HALF-HEARTED.

THE GULF MINISTERS, FROM KUWAIT, SAUDI ARABIA, QATAR, ABU DHABI, IRAQ AND IRAN, WERE EXPECTED TO BE IN SESSION FOR AT LEAST THREE HOURS TODAY.

MORE PJS/YA1053

MIDEAST OIL 3 KUWAIT

THEY ARE CONSIDERING A REPORT FROM A MEETING OF THEIR EXPERTS HERE LAST WEEK, WHICH STUDIED THE IMPLICATIONS OF THE MINISTERS UNILATERAL DECISION OCT. 16 FOR A MASSIVE RISE IN PRICES OF GULF CRUDES.

THOUGH DESCRIBED AS A 17 PER CENT INCREASE IN MARKET PRICES, THEIR "TAKE IT OR LEAVE IT" ANNOUNCEMENT TO THE OIL COMPANIES LAST MONTH IN FACT RAISED THE "POSTED" PRICES ON WHICH TAXES AND ROYALTIES ARE BASED BY NEARER 70 PER CENT.

THE DECISION HAS ALREADY HAD REPERCUSSIONS WITH INCREASED PRICES FOR OIL FROM OTHER PRODUCER STATES.

TONIGHTS MEETING, IN A CONFERENCE ROOM AT KUWAITS SHERATON HOTEL, WAS ALSO ATTENDED BY ABOUT 20 OTHER OFFICIALS.

OBSERVERS SAID THE "OIL WEAPON" WAS UNLIKELY TO BE DISCUSSED, EXCEPT IN ITS IMPLICATIONS FOR WORLD MARKETS, IN THIS MEETING BECAUSE OF THE PRESENCE OF NON-ARAB IRAN WHICH IS TAKING NO PART IN THE INDIRECT "OIL WARFARE" AGAINST ISRAEL.

BUT WHILE AN "OUTSIDER" ON THIS MATTER, THE IRANIAN MINISTER WAS WELCOMED WITH A SPECIALLY WARM EMBRACE FROM SAUDI ARABIAS SHEIKH AHMED ZAKI YAMANI WHEN HE ARRIVED SHORTLY BEFORE THE MEETING.

SHEIKH AHMED EARLIER TODAY GAVE FINAL CONFIRMATION -- AFTER A WEEK OF CONFUSED REPORTS -- THAT SAUDI ARABIA HAD IN FACT COMPLETELY HALTED EXPORTS TO HOLLAND, WHICH NORMALLY TAKES A QUARTER OF ITS OIL FROM THAT COUNTRY.

REUTER PJS/YA1 (No Objection To Declassification in Full 2011/05/02 : LOC-HAK-187-5-19-9)